

Administration of Barack Obama, 2015

Remarks During a Question-and-Answer Session at the CEO Summit of the Americas in Panama City, Panama

April 10, 2015

First of all, I want to thank the business leaders who are all here represented, and you had some great spokespersons in the front row.

I'll just comment on a couple of themes that ran through a number of the questions. One of the advantages that we may have today that we didn't have, let's say, 15 or 20 or 30 years ago is, I think it used to be viewed as either you have a government status economic model or you have a complete free market, and everything was very ideological sometimes in this region in discussing how economic development went forward.

And I think, by virtue of wisdom and some things that didn't work and some things that did, everybody around the region, throughout the hemisphere, I think has a very practical solution—or a practical orientation. Maybe not everybody, but almost everybody. *[Laughter]* The—certainly, all the people on this stage. And so the question then becomes, what's the appropriate role for government, what's the appropriate role for the private sector, and how do we fill gaps to get results?

So I believe that the free market is the greatest wealth generator and innovator and is a recipe for success for countries. And I think it's very important for us to initiate reforms that can free up the entrepreneurship and the talents of our people. But I also think that there are going to be market failures. There are times where the market isn't meeting a social need that is necessary in order for businesses to thrive and societies to thrive. And so on—when Stanley talked about public-private partnerships, one way to think about it is where is it that both businesses and government can work together to address a gap or a market failure.

One area is in education. I think that we have to make a public investment through good schools, paying our teachers, training them properly, building infrastructure for schools. But one of the things that we've learned in the United States, for example, is that we have an outstanding community college system, not just the fancy universities at the top, but we also have community colleges throughout every State. But for too long, we weren't talking to businesses—and these community colleges weren't talking to businesses—to ask, what should we be training people for and how should we train them? And by soliciting input from business, suddenly the training programs in these community colleges became much more effective and were much more likely to lead to jobs in the future. That's the kind of collaboration that's, I think, very important.

The same is true with respect to connectivity that Mark raised. Look, the Internet wouldn't have been created without government investment. It didn't just kind of spring to life on its own. But now that in every country we recognize there's an infrastructure that has to be built, we also have to be working together with the private sector to make sure that it's built in a way that anticipates how rapidly things are changing, because there may be circumstances here where people can entirely leapfrog old technologies and go straight to new technologies.

And so one of the questions, I think, all of us—as leaders and regionally—should be asking is, to what extent are we making joint investments that aren't protecting the old models, but rather are opening up new models that may be more efficient and reach more people.

Third point is, regulatory issues came up a number of times. Look, technology and globalization are disruptive. And usually, somebody is doing well with the status quo, and they don't want change, and so sometimes, breaking down regulations is painful politically. And that's why I'm very admiring of the work that Enrique did with respect to the energy sector in Mexico. That's a very sensitive thing and a very difficult thing. But what he recognized—and ultimately, what all of Mexico recognized—is that that sector will not be as efficient if it does not get the kind of private input and investment and innovation that's required.

So part of, I guess, our strategy has to be to recognize that there are going to be some regulatory barriers and we have to work in concert to try to break some of those down and harmonize regulations across countries and across, in some cases, industries. But in some cases, we may need new regulations to adapt to new times.

And I'll use just the example of climate change to make this point. I visited the Panama Canal today, an amazing feat of human ingenuity. And the expansion that's going to be taking place here in Panama is going to be good for Panama, it's going to be good for world trade, it's going to be good for the region. But it turns out that the Panama Canal really depends on rain in Panama. If water is not coming down at a certain level, if seasonal rain patterns change radically, that can have an enormous impact on economic development not just for Panama, but for the United States and for the entire region.

So there's a circumstance where even as we end old regulations that no longer make sense or are inhibiting innovation and growth and investment, in some cases, we may need new regulatory approaches to, for example, limit and reduce carbon. And we should do it in an efficient way so that we're harnessing the ingenuity of the private sector; we set a bar, we set a price, and we say, you tell us how you are you going to reduce carbon, but we need to reduce carbon to make sure that the rains still come so that the canal still works.

And that approach to regulation, it's not so much you're for regulation or against regulation, but you're thinking what regulations work today in a practical way to meet our goals, and how do we do it in a way that is the least bureaucratic and the least disruptive, but recognizing that there are still goals that have to be met.

And the last point I would make is, in terms of specific actions—this was raised earlier—the United States is very committed to working with all the countries that are participating in this summit. We are consulting intensively on a bilateral basis, but we're also very interested in working on a regional level. I mentioned Central America. I've put forward a budget of \$1 billion in investment in Central America to deal specifically with some of the issues of human investment in capital and youth so that rather than young people feeling a sense of desperation and the only recourse they have is to join gangs or leave their country, that they can start an Internet company using social media and start marketing goods that are produced in their own countries in places all around the world.

There is so much talent, and there's so much ingenuity, but it does require some joint investment and recognizing that we have to think beyond our borders in order to do the right thing for our people. It is good for the United States for some young person in Honduras to have access to the Internet, have access to education, and have access to opportunity. It's good for the United States if Brazil is growing at a rapid pace. It's good for the United States if Panama continues to thrive or Mexico is continuing to succeed.

And the more we see our economies as mutually dependent rather than a zero-sum game, I think the more successful all of us will be. And so we'll take the list of all the business leaders,

and we'll work through those lists. I guarantee you that the United States will be more than open to making as much as progress as we can before the next Summit of the Americas. And I'm confident that at least the four—the three leaders on this stage, they'll be with me—and Luis also. [*Laughter*]. All right.

NOTE: The President spoke at approximately 3:35 p.m. in the ballroom of the Hotel Riu Plaza Panama. Participating in the summit were President Enrique Peña Nieto of Mexico; President Dilma Rousseff of Brazil; and President Juan Carlos Varela of Panama. The moderator was Luis Alberto Moreno, President, Inter-American Development Bank. Questions were asked by Stanley Motta, chairman, Copa Holdings, S.A.; Marco Stefanini, chief executive officer, Stefanini IT Solutions; Francisco A. Aristeguieta, chief executive officer, Citigroup Latin America; Blanca Treviño, chief executive officer, Softtek; and Mark E. Zuckerberg, founder and chief executive officer, Facebook, Inc.

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Names: Aristeguieta, Francisco; Moreno, Luis Alberto; Motta, Stanley; Motta, Stanley ; Peña Nieto, Enrique; Rousseff, Dilma; Stefanini, Marco; Treviño, Blanca; Varela, Juan Carlos; Zuckerberg, Mark E.

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